

## Message Text

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ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 IGA-02 SS-15 MC-02 CIAE-00  
INR-07 NSAE-00 AID-05 EB-08 L-03 OMB-01 /054 W  
-----250106Z 026383 /66  
R 241900Z JAN 77  
FM AMEMBASSY ASUNCION  
TO SECSTATE WASHDC 9254  
DOD/WASHDC/DSAA  
INFO USCINCSO QUARRY HEIGHTS CZ/SCSA

LIMITED OFFICIAL USE ASUNCION 0303

E.O. 11652: N/A  
TAGS: MASS, PA  
SUBJ: FY 1977 FMS CREDIT-PARAGUAY

REF: A. STATE 305465, B. ASUNCION 4930

1. ODC HAS BEEN INFORMED BY LETTER SIGNED BY MAJ. GEN. FRETES DAVALOS, CHIEF OF THE GENERAL STAFF, THAT GOP IS INTERESTED IN OBTAINING THE 1977 CREDIT OF \$500,000. CONSULTATION WITH MINISTRY OF DEFENSE HAS GENERATED THE FOLLOWING LIST OF ILLUS-TRATIVE DEFENSE ITEMS FOR WHICH GOP DESIRES TO USE THIS CREDIT: ENGINEERING CONSTRUCTION AND WELL DIGGING EQUIPMENT; LIGHT AIRCRAFT; COMMUNICATIONS EQUIPMENT; GENERAL MACHINERY AND TOOLS; AND SPARE PARTS.

2. WE APPRECIATE THAT GOP DESIRE TO USE FY 77 CREDIT FOR SPARE PARTS IS NOT IN ACCORD WITH THE GENERAL FMS CREDIT POLICY, BUT REQUEST THAT AN EXCEPTION BE MADE TO THIS POLICY FOR FY-77 IN ORDER TO HELP THE GOP DURING THIS DIFFICULT TRANSITION PERIOD AS MAP IS BEING PHASED OUT AND ENSURE CONTINUITY OF US-FINANCED DEVELOPMENT-RELATED PROJECTS.

3. THE PARAGUAYAN ARMED FORCES ARE EQUIPPED WITH SIGNIFICANT  
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QUANTITIES OF MAP PROVIDED MATERIAL WHICH ARE ALMOST TOTALLY DEVOTED TO NATION BUILDING TASKS. FOR EXAMPLE, THE ARMY ENGINEER COMMAND CONTINUES AN ACTIVE ROLE IN ROAD CONSTRUCTION AND IMPROVEMENT IN THE INTERIOR, AND IN DIGGING WELLS TO ASSIST IN THE DEVELOPMENT OF THE ARID AND ISOLATED CHACO. THE AIR FORCE PROVIDES THE ONLY INTERNAL AIRLINE SERVICE WITH ITS AGING C-47 FLEET AND OTHER SMALLER MAP PROVIDED AIRCRAFT. THE NAVY IS NOW IN THE PROCESS OF COMPLETING THE

PURCHASE OF THE SEVEN US SHIPS FORMERLY ON LOAN WHICH PROVIDE COMMUNICATION ALONG THE EXTENSIVE WATERWAYS. IN THE PAST, GOP HAS BEEN TOTALLY DEPENDENT ON MAP-PROVIDED SPARE PARTS TO SUPPORT THESE PROJECTS.

4. FY-77 IS THE LAST YEAR OF GRANT MAP FOR PARAGUAY. OUR RATHER INTENSIVE CAMPAIGNING TO WEAN THE GOP AWAY FROM ITS DEPENDENCE ON MAP-PROVIDED SPARES IS MAKING SOME PROGRESS. FOR EXAMPLE, THE FY-77 PROGRAM IS ALMOST ENTIRELY DEVOTED TO THE ACQUISITION OF MAJOR ITEMS. THE POINT IS BEING DRIVEN HOME THAT THE GOP MUST BE SELF-SUFFICIENT, BUT IT WILL TAKE A LITTLE TIME FOR THEM TO MAKE THIS DIFFICULT ADJUSTMENT.

5. UNDER THESE CIRCUMSTANCES, THE PROPOSED USE OF A SMALL PORTION (EST. 10 PERCENT) OF THE FY-77 FMS CREDIT FOR SPARE PARTS SEEMS REASONABLE AND IN KEEPING WITH PAST AND FUTURE US MILITARY ASSISTANCE OBJECTIVES IN PARAGUAY.

6. WE STRONGLY RECOMMEND THIS REQUEST BE APPROVED.  
BRIGGS

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** MILITARY ASSISTANCE PROGRAMS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
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**Reference:** 77 STATE 305465, 77 ASUNCION 4930  
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**Review Markings:**  
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